

STEPHEN D. HAYES

ATTORNEY AT LAW

315 MOORES BRANCH CIRCLE
WESTMINSTER, MARYLAND 21158

443.370.6620
SDHAYESLAW@YAHOO.COM

Ex Parte Notice – via ECFS

June 23, 2016

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

*Re: WC Docket No. 12-375 - Implementation of the Pay Telephone Reclassification
and Compensation Provisions of the Telecommunications Act of 1996 et al.*

Dear Ms. Dortch:

On Tuesday, June 21, 2016, the undersigned counsel appearing on behalf of iWebVisit.com, LLC (“IWV”) – along with J. David Warren, IWV Co-Founder and Executive Vice President, and Timothy J. Murphy, IWV President – met with Madeleine Findley (Deputy Bureau Chief), Gil Strobel (Deputy Division Chief, Pricing Policy Division), Christine Sanquist (attorney) and Kristin Hopkins (intern) of the FCC’s Wireline Competition Bureau. The parties discussed the referenced docket, and in particular the FCC’s *Third Notice of Proposed Rulemaking* in the docket, the Commission’s inquiry into video visitation services in the *Third NPRM*, and IWV’s earlier filed comments and reply comments in the proceeding. The substance of the discussion is summarized below.

IWV stated the purpose of the meeting was to introduce IWV to the FCC and share IWV’s industry knowledge regarding specialized visitation management systems for the corrections industry within the framework of the FCC’s proposed rulemaking (WC Docket 12-375) related to inmate communications services (“ICS”). IWV overall made two points to the FCC staff: (1) a visitation management system as developed by IWV is much different than ICS and, unlike ICS, is not subject to Section 276 of the Communications Act of 1934, as amended, and (2) the bundling of ICS services with visitation management and other services negatively impacts the visitation management industry and ICS consumers. IWV first discussed its background and history and offered the following points:

- IWV was founded in 2009 to provide the first video visitation and management system for correctional facilities.
- IWV’s service both extended and increased visitation options to families and friends that either did not live close to a correctional facility or simply chose not to spend the time or money associated with on-site visitation -- *i.e.*, gasoline, parking, child care, road tolls, time off work, *etc.*
- IWV’s customers are both correctional facilities and the family and friends of those incarcerated. The facilities served range from approximately 100 inmates and up.

- IWV provides a comprehensive and true visitation management solution. IWV technology facilitates and manages all types of visits provided by correctional facilities, whether in-person, thru-the-glass, in lobby, from home or from any other remote location in the world.
- IWV provides a choice for families and friends to stay in touch while providing corrections facilities with a robust, visitor-initiated reservation and visitation system. IWV is the only dedicated provider of such services.
- IWV's primary competitors all bundle video visitation with their ICS contracts.
- IWV's mission is to provide the best end-to-end visit experience possible for the corrections industry and the families served, whether someone is visiting on-site, in person or remotely. IWV takes seriously the opportunity to improve family ties since it has proven to reduce the likelihood of reoffending.
- Across all facilities served, family contact has increased between 20 and 100%, and sometimes more. As result of having a remote visitation choice, overall visit sessions continue to rise. The percentage of visits that are on-site rather than remote frequently decline, however, because of the choice to visit remotely.
- IWV does not encourage correctional facilities to alter their in-lobby visitation hours. In all IWV contracts, remote visit sessions are an option and are never the only permitted way to conduct a visit session.
- The original owners and founders of IWV believed that the company needed to compete directly with inmate telephone companies.
- The current owners and management team do not share this opinion and have changed the company's offerings to be more often a direct purchase of computer hardware and a reimbursement per remote visit that is processed through the IWV system.
- IWV does not offer a "commission" or revenue share program *per se* under its revised business model, however, a facility may add a nominal markup to the cost of a remote visit and be reimbursed for their investment in hardware, facilities, maintenance staff, *etc.* related to providing visitation services.

IWV further discussed how video visitation is different from ICS inmate telephone calling:

- An inmate telephone call is initiated by an inmate and is only outbound as incoming calls are not permitted in correctional facilities.
- An inmate telephone call is impromptu. It is not scheduled in advance and can take place at nearly any time during allowable hours. Again, it does not require a prior reservation of systems or facilities.
- Since there is no "reservation," a telephone call can last for any duration up to the maximum time per facility policy. Also, if an inmate wants to place multiple calls, one after another, again, it does not require an advance reservation of a block of time.
- Per-minute rate plans are fitting for inmate telephone calls.
- A visitation on the other hand is a pre-scheduled block of time that a visitor commits to and makes available on their schedule. Reservations are frequently committed to days in advance.
- Because of the need for a reservation, and the resulting advance notice to the facility, at the scheduled visit time both the visitor and the inmate are assured the availability of and access to the necessary facilities and computer equipment.

- When a visit is scheduled, the IWV reservation system looks into the future for the next available time period and provides options to the visitor as to when an inmate is available for visitation. The system also checks the inmate's visitation privileges and the availability of facilities.
- Unlike an inmate telephone call, the visitor always has a choice. The visitor may visit in person at the facility for free, or choose to stay home and visit remotely for a fee.
- At IWV facilities, on-site (free) visits average about 60% of all scheduled visit sessions. Visitors choose the convenience of remote visiting for about 40% of their visitation sessions.
- The remote visit fee is driven by typical business factors, including the cost of investment, cost of support, cost of maintenance and cost of facilities for both physical and digital assets. If a facility seeks reimbursement to offset their direct costs associated with the provisioning of on-site and remote visitations, they may opt to add a nominal reimbursement to IWV's base cost of the remote visit session. Some facilities pay IWV a monthly support fee regardless of whether any visit sessions are scheduled remotely or not.
- IWV currently provides all on-site visits at no charge to the visitor or the inmate. These costs are also factored into the overall operating costs of providing a complete visitation managements system.

IWV discussed how it continues to develop features for its visitation system that will improve the visitor experience and incorporate features requested by correctional facilities. IWV envisions continued interest in its products due to the foundation and reputation that it has built. However, IWV asserted that if bundling of non-regulated services is allowed to continue with regulated services and the offering of "free systems" which are being purchased indirectly by the families and consumers of telephone services, it is concerned that its services may be less desirable by some facilities and the consumer will be penalized. IWV discussed that a number of commenters believe that there should be protection against ICS "creep" into video visitation. IWV expressed its agreement with this view and its belief that the prevention of bundling along with rate regulation of ICS will address the concern without further regulation.

IWV stated its view that the FCC's inquiry into the practices of ICS providers is wholly warranted. If consumers are not permitted a choice, no matter what product or service they desire, then they should minimally be assured that the price they pay is commensurate with the services they receive. For this reason, IWV expressed its support for ICS rate regulation to insure that consumers are only paying for the direct and necessary costs of having a telephone conversation. IWV noted that there are ample telecommunication providers today that offer calling plans as low as \$.01 and \$.02 per minute for voice-only communications and that it does not appear that ICS industry has voluntarily passed along the same kinds of savings available to consumers who are not incarcerated. IWV offered the details of one ICS contract, which it obtained through a FOIA request, where with rated at \$.16 per minute the contract nevertheless provided for recoupment of the costs IWV expects would be associated with an add-on video visitation system plus excess revenues a factor of 8x or 9x greater than the system cost over a four year contract. IWV offered this information as an example of inmate families paying for products and services unrelated to ICS calling and generating huge revenues which do not benefit them as the ICS consumer.

IWV summarized that its view that visitor-initiated video visitation is distinctly different than inmate-initiated per-minute telephone calls under Section 276. ICS providers are unfairly competing with stand-alone video visitation companies like IWV through the bundling of their regulated ICS offering with unregulated video visitation services, and the elimination of such bundling would ultimately benefit the visitor/consumer and the inmate community with whom they interact. The market forces at work in a video visitation sector unencumbered by unfair and inappropriate competition are sufficient to result in quality visitation services to visitors and the corrections industry at fair and reasonable rates, without the need for government regulation.

Thank you for your attention to this correspondence. Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS.

Respectfully submitted,

/s/ *Stephen D. Hayes*

Stephen D. Hayes
Counsel for iWebVisit.com, LLC

cc: Madeleine Findley
Gil Strobel
Christine Sanquist